

The Impact of the Proposed Medicare Changes

Written by Mike Honda
Monday, 13 June 2011 11:17

For current beneficiaries, important benefits – such as closing the hole in Medicare’s drug coverage and free preventative health services – would be immediately eliminated. Those currently age 54 or younger will find something completely different when they age into the program. They will be forced to buy private health insurance with a “voucher” that doesn’t keep pace with medical costs and only cuts checks directly to the insurance industry.

In the 15th District those currently enrolled in Medicare would see:

- Increased prescription drug costs for 5,900 Medicare beneficiaries in the district who enter the Part D donut hole, forcing them to pay an extra \$58 million for drugs over the next decade.
- An elimination of new preventive care benefits for 76,000 Medicare beneficiaries in the district.

The Republican proposal has even greater impacts on individuals in the district age 54 and younger who will age into Medicare. It would:

- Deny 540,000 individuals age 54 and younger in the district access to Medicare’s guaranteed benefits.
- Increase the out-of-pocket costs of health coverage by over \$6,000 per year in 2022 and by almost \$12,000 per year in 2032 for the 116,000 individuals in the district who are between the ages of 44 and 54.
- Require the 116,000 individuals in the district between the ages of 44 and 54 to save an additional \$27.1 billion for their retirement – an average of \$182,000 to \$287,000 per individual – to pay for the increased cost of health coverage over their lifetimes.
- Younger residents of the district will have to save even higher amounts to cover their additional medical costs.
- Raise the Medicare eligibility age by at least one year to age 66 or more for 68,000 individuals in the district who are age 44 to 49 and by two years to age 67 for 427,000 individuals in the district who are age 43 or younger.

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Changes must be made to the Medicare system to keep up with the burgeoning cost of health care, but they can be done smartly without ending the program as we know it. As your Congressman, I will fight for the guaranteed benefit of Medicare on behalf of our nation's seniors and those with disabilities. They have contributed to the system through a life-time of work and our nation must complete its promise to them.